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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

MAR 29 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)

New Service Reporting Requirements)
Under Price Cap Regulation)

CC Docket No. 92-275

COMMENTS

OF

THE SOUTHERN NEW ENGLAND TELEPHONE COMPANY

The Southern New England Telephone Company (SNET) respectfully submits its Comments pursuant to the Federal Communication Commission's (Commission) Notice of Proposed Rulemaking, (NPRM) released January 19, 1993.¹ In this NPRM, the Commission proposes to reduce the frequency with which price cap carriers must file certain reports regarding their offering of new interstate services. The Commission proposes to reduce the filing obligation of these reports from a quarterly basis to an annual interval. Price cap carriers would also be required to file no more than three annual reports.

SNET believes that the proposed reporting requirements should be eliminated for elective price cap carriers. The Commission should further reduce the burden on

¹ In the Matter of New Service Reporting Requirements Under Price Cap Regulation, CC Docket No. 92-275, Notice of Proposed Rulemaking, released January 19, 1993.

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local exchange carriers (LECs) in addition to eliminating the net revenue requirement from the new services test.²

One of the most critical criteria for SNET's election of price cap regulation was the promise of reduced administrative reporting.³ For example, mandatory price cap LECs must file ARMIS service quality and infrastructure reports 43-05, 43-06 and 43-07; elective price cap LECs are required to file only the quarterly ARMIS 43-05 reports.⁴ Since SNET's election to be subject to price caps, however, the Commission has continually expanded the reporting obligation on price cap companies.⁵

SNET believes that the mandatory filing requirement of three annual reports proposed in the NPRM is unnecessary. SNET joins USTA, in its Comments being filed today, in urging the Commission to modify the proposed reporting requirements and to require, at most, only the initial annual report for all new services. The Commission would still receive sufficient demand and other data in the annual Tariff Review Plan filings, and the administrative burden on price cap carriers would be reduced. If the Commission determines that there is sufficient cause to require additional data

² LEC Price Cap Second Further Reconsideration Order, CC Docket No. 87-313, 7 FCC Rcd 5235 (1992) at para. 23.

³ The Commission recognizes that companies evaluate reporting burdens as part of the decision of whether to elect price cap regulation. See LEC Price Cap Order, CC Docket No. 87-313, 5 FCC Rcd 6786 (1990) at para. 320 and fn. 428.

⁴ Ibid. at para. 342 and fn. 457. See also Memorandum Opinion and Order, CCB, CC Docket No. 87-313, 6 FCC Rcd 2974 (1991), released May 17, 1991 at paras. 3 and 45.

⁵ See Adjustments to Price Cap Carriers' Service Quality and Infrastructure Reports in ARMIS, DA 92-370, released March 31, 1992 expanding the reporting of the causes of switch downtime. See also Modifications to Service Quality / Infrastructure Reporting, CC Docket No. 87-313, AAD 92-47, Public Notice released July 8, 1992 requesting comment on additional reporting requirements such as collecting data at a more disaggregated level, such as wire center, as well as adding additional reports, such as call completion ratios.

reporting, then such reports should be required in the Commission's service-specific orders addressing individual LEC tariffs.

SNET also supports USTA's suggestions with respect to further streamlining regulatory processes for the introduction of new services, such as allowing exchange carriers to file new service tariffs with a twenty-one (21) day notice period, if the revenues for these services are de minimus.⁶

For the reasons stated above, SNET suggests that the Commission modify its proposals in its NPRM.

Respectfully submitted,

THE SOUTHERN NEW ENGLAND TELEPHONE COMPANY

By: 

Rochelle D. Jones
Director - Regulatory
227 Church Street
New Haven, CT 06506-1806
(203) 771-2718

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⁶ SNET suggests that an example of de minimus revenues for an elective price cap LEC is SNET Tariff Transmittal No. 542, July 8, 1992 with a reported total net revenues of \$8,245.00. The Commission in its NPRM, CC Docket No. 92-135, Regulatory Reform for Local Exchange Carriers Subject to Rate of Return Regulation, para. 16, tentatively concluded that new service revenues of 2% or less of total annual operating revenue is considered de minimus. A similar definition applied to annual interstate access revenues would be reasonable for price cap LECs.